



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

As the Panhandle economy continued to expand, the seasonally adjusted unemployment rate fell from 6.8 percent in June to 6.7 percent in July. That's considerably lower than the rate of 8.3 percent in July 2003. As job opportunities began expanding last winter, the unemployment rate began to fall. By February, it fell below 7.0 percent for the first time since the summer of 1990.

The *Nonfarm Payroll* jobs data in Panhandle Table 1 shows the Panhandle added 3,030 jobs between July 2003 and July 2004. Even industries that were depressed throughout the previous three years added jobs. *Natural Resources & Mining* emerged from its depression and added 80 jobs during the 12-month period as Silver Valley mines expanded and logging employment grew. *Construction* employment rose above last year's record highs, providing 220 more jobs this July than July 2003. *Wood Products Manufacturing* added jobs in the first half of 2004, offsetting half of the jobs lost when the Bonners Ferry mill closed and a Stimson mill in Coeur d'Alene laid off a shift in the second half of 2003. Employment in *Other Manufacturing* industries rose to an all-time high of 4,490 in July, and many Panhandle manufacturers plan to add jobs in the next few months.

Professional & Business Services added 720 jobs—more than any other sector—because the new Verizon directory-assistance center opened in February. Temporary employment agencies greatly expanded their staffing as the economy picked up, corporate headquarters increased employment, and a booming construction market kept architects, surveyors, and engineers busy.

Tourism also has performed extremely well in 2004. The Idaho Tax Commission's travel and convention tax report showed hotel-motel receipts

Panhandle Table 1: Labor Force & Employment

	Jul 2004*	Jun 2004	Jul 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	96,390	96,170	93,030	0.2	3.6
Unemployed	6,440	6,560	7,680	-1.8	-16.1
% of Labor Force Unemployed	6.7	6.8	8.3		
Total Employment	89,950	89,610	85,350	0.4	5.4
Unadjusted					
Civilian Labor Force	98,310	97,500	94,510	0.8	4.0
Unemployed	5,040	5,340	5,960	-5.6	-15.4
% of Labor Force Unemployed	5.1	5.5	6.3		
Total Employment	93,270	92,160	88,550	1.2	5.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	75,100	74,260	72,070	1.1	4.2
Goods-Producing Industries	14,620	13,970	14,220	4.7	2.8
Natural Resources & Mining	1,600	1,460	1,520	9.6	5.3
Construction	5,780	5,310	5,560	8.9	4.0
Manufacturing	7,240	7,200	7,140	0.6	1.4
Wood Product Manufacturing	2,750	2,740	2,850	0.4	-3.5
Other Manufacturing	4,490	4,460	4,290	0.7	4.7
Service-Providing Industries	60,480	60,290	57,850	0.3	4.5
Trade, Transportation, & Utilities	14,150	14,090	13,560	0.4	4.4
Wholesale Trade	1,420	1,440	1,390	-1.4	2.2
Retail Trade	10,940	10,890	10,450	0.5	4.7
Utilities	400	400	390	0.0	2.6
Transportation & Warehousing	1,390	1,360	1,330	2.2	4.5
Information	1,190	1,180	1,100	0.8	8.2
Financial Activities	3,180	3,120	2,990	1.9	6.4
Professional & Business Services	7,450	7,260	6,730	2.6	10.7
Educational & Health Services	7,240	7,150	6,910	1.3	4.8
Leisure & Hospitality	10,510	9,870	10,170	6.5	3.3
Other Services	2,530	2,380	2,410	6.3	5.0
Government Education	3,970	4,990	3,900	-20.4	1.8
Government Administration	8,980	9,000	8,860	-0.2	1.4
Government Tribes	1,280	1,250	1,220	2.4	4.9

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

in the Panhandle rose to \$54.5 million this summer (June through August)—9.9 percent higher than last summer, which was the previous record holder. So, it's not surprising that *Leisure & Hospitality* employed 340 more people this July than last July. In addition, most of the 60 jobs added by the Coeur d'Alene and Kootenai Tribes occurred at their inns and casinos in Worley and Bonners Ferry.

More tourists, growing populations, rising incomes, the spring opening of Costco in Coeur d'Alene, and the continued expansion of Dave Smith Motors in Kellogg boosted *Retail Trade* employment by 490 jobs over the 12-month period. Those job gains are especially appreciated because *Retail Trade* did not add jobs from the fall of 1999 until the fall of 2003.

This year increasingly resembles 1997, the last year that all major industrial sectors in the Panhandle grew and all five counties added jobs. Rough estimates show all five counties had better-than-average growth rates. Of the 3,030 *Nonfarm Payroll* jobs added between July 2003 and July 2004, Benewah County added an estimated 110 jobs for a 3.1 percent increase in *Nonfarm Payroll* jobs. Bonner County added 460 jobs for a 3.6 percent increase; Boundary County, 80 jobs for 2.9 percent; Kootenai County, 2,170 jobs for 4.5 percent; and Shoshone County, 190 jobs for 4.3 percent.

Another similarity between 1997 and 2004 is the rapid rate of job growth. Between July 2003 and July 2004, *Nonfarm Payroll Jobs* grew 4.2 percent—more than twice as fast as its average rate of growth of 1.9 percent per year from 1998 through 2003. In addition, 1997 was the last year that the Panhandle's *Nonfarm Payroll Jobs* grew at rates faster than 2.5 percent a year.

A view of the road ahead suggests the rate of job growth will remain high in the next 12 months. This fall, Burlington Northern Santa Fe Railway is opening its locomotive-refueling depot near Hauser Lake with 55 employees, and Center Partners is hiring 300 more people for its call centers in Coeur d'Alene and Post Falls, bringing its total employment above 800. This winter U.S. Bank will open a call center that will initially employ about 150 people in Coeur d'Alene. Buck Knives will open a manufacturing plant that will employ more than 200 people in Post Falls, Sysco will open a distribution center that will employ 150 or more people in Post Falls, and Home Depot is expected to open a store employing more than 120 people in Sandpoint.

AREA DEVELOPMENTS

Benewah County

- Benewah Medical Center, the community hospital in St. Maries, opened its new surgery in August, marking the completion of the first phase of a \$1.6 million construction project. The second phase—construction of a nurse's station and renovation of the old surgery—will begin soon.

Bonner County

- Coldwater Creek, the 20-year-old catalog company based in the Sandpoint area, is in expansion mode. Coldwater will open 49 retail stores across the U.S. in 2004, bringing its total number of stores to 115. In August, Coldwater introduced a new clothing line—women's casual and sportswear.
- Coldwater plans to add 60 jobs at its headquarters this year, bringing its total employment in Bonner County to 385. It also employs about 350 people at its call center in Kootenai County. CEO Dennis

Pence says he expects its Bonner County employment to rise above 500 jobs in a few years.

- Coldwater currently has 60,000-square feet of office space under construction in its former distribution center on its headquarters campus in Kootenai, three miles northeast of Sandpoint. When the construction is completed, the campus will contain 177,000-square feet of office space. Work soon will begin on an 8,000-square-foot training facility there.
- Sandpoint has been spending a lot of time in the national spotlight this year. In January, *Sunset* magazine named Sandpoint as the best small town to live in. In August, *Outside* magazine featured Sandpoint on its list of dream towns, *Forbes* magazine named Sandpoint as a telecommuting heaven, and *National Geographic Adventure* magazine named Sandpoint as one of the 10 "great adventure" towns. All this attention led to even more focus, when the *USA Today* newspaper wrote an article about Sandpoint describing it as "a Norman Rockwell-meets-Ansel Adams classic" and described the area's rapid growth resulting from the articles. Phones have been ringing off the hook at the Sandpoint Chamber of Commerce and local realtors all year long as people ask about visiting, moving to, or buying vacation or retirement homes there. One result of all this attention was a doubling of the cost of waterfront property during the last two years. Some Sandpoint residents are increasingly concerned about the affordability of housing.

Boundary County

- The Boundary County Airport recently received a \$1.1 million grant to build a taxiway to increase safety and efficiency. It will also increase capacity for the additional airport traffic that has been growing. In addition, the airport is preparing for the multi-million dollar building that the U.S. Border Patrol eventually plans to construct at the airport.
- Eddie Madden Sr. and his wife Kirsten celebrated the grand opening of the Last Chance Saloon September 1. The bar is located in the former Jack's Club beneath the American Legion in downtown Bonners Ferry. Live bands entertain on Friday and Saturday nights, while brave customers entertain via karaoke on Wednesday nights.
- Jill Nystrom opened Jill's Café at the corner of Main and Bonner Streets in Bonners Ferry in early

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August. The café serves soups, salads, and sandwiches from 8:00 a.m. to 3:00 p.m. Monday through Friday.

Kootenai County

- Kootenai Medical Center (KMC), the hospital in Coeur d'Alene, recently began a \$3.4 million construction project that will double the size of its emergency department and increase lab space by 30 percent when completed by June 2005. In September KMC began construction of a \$5 million parking garage with more than 400 parking spaces. KMC also unveiled a new heart center this year. KMC has added more than 90 jobs since last fall, so it now employs about 1,620 people. KMC is the Panhandle's largest employer; it employs more Panhandle residents than either the federal government (1,460 employees in July) or the state government (1,540).
- The University of Idaho Research Park in Post Falls welcomed BAI Security as its newest tenant in August. Chicago-based BAI Security is a managed security service provider that safeguards the information assets of small to mid-sized organizations. BAI identifies suspicious activities and then takes steps to prevent theft of information or other security breaches. Over the next year, BAI plans to build a sales force of 10 to 12 in Post Falls to serve the western United States. BAI is a good fit for the research park because the University of Idaho is

considered an emerging leader in the research and development of security technology.

- Best Buy Co. plans to open a \$3.5 million, 20,000-square-foot electronics store at 425 Wilson Avenue in Coeur d'Alene. The store, located just north of the mini-mall containing Borders, T.J. Maxx, and Petco, will be accessible from Highway 95. When the first Best Buy store in North Idaho opens this coming spring, it will employ 90 people selling TVs, stereos, DVDs, CDs, entertainment software, and appliances.

Panhandle

- The Idaho Travel Council recently granted nearly \$450,000 to tourism groups in the Panhandle. The recipients and the amounts they received include: the Coeur d'Alene Area Chamber of Commerce, \$262,150; the Greater Sandpoint Chamber of Commerce, \$62,319; North Idaho Tourism Alliance, \$58,468; the Post Falls Chamber of Commerce, \$54,000; the northern chapter of the Idaho Outfitters and Guides Association, \$8,000; and the northern chapter of the Idaho RV Campgrounds Association, \$3,000. The money will be used to market Panhandle communities to tourists.

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money to meet all of its debt when combined with cash on hand. Potlatch will continue to operate a lumber mill at Bemidji and, as Minnesota's largest private forest landowner, it will manage 320,000 acres of forest lands.

- An agreement has been reached between Delta Air Lines, the City of Lewiston, and Valley Vision (Nez Perce & Asotin Counties' economic development organization) for a Delta Connection carrier such as SkyWest, to provide four flights a day on a 50-passenger jet. Two daily round-trip nonstop flights from Lewiston to Salt Lake City are expected to begin a one-year trial starting February 1. The agreement guarantees Delta or a subsidiary will get as

much as \$3,500 per flight, with the amount reduced depending on the number of seats sold. The money is provided by a federal Department of Transportation Small Community Air Service Development Grant awarded to the city a year ago. Salt Lake City, which is only 80 minutes away, is a hub with connections available to the Midwest, East Coast, and southern cities.

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